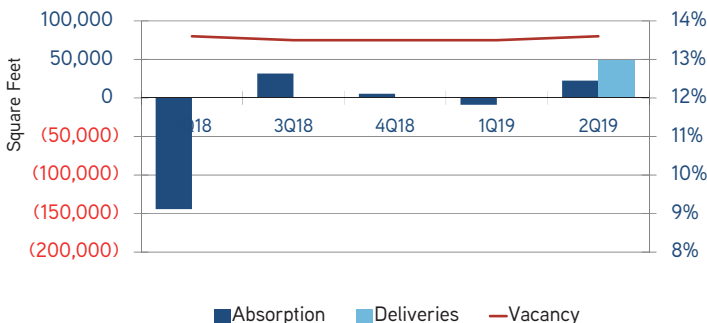


Key Takeaways

- It has been a slow start to the year for Buckhead with the submarket absorbing a total of only 13,641 square feet of office space. For the second quarter, move-ins and move-outs closely matched one another, resulting in a slight gain of only 22,505 square feet.
- With little to no change between vacancies and occupancies over the past year, Buckhead's overall vacancy rate has held steady at 13.6%.
- One Phipps Plaza officially broke ground this quarter. The building is taking the place of the former Belk location and will contain 340,000 square feet of office space. It is part of an overall redevelopment at Phipps Plaza and should be an attractive availability to potential tenants in the market.
- Buckhead's Class A rents increased for their 7th consecutive quarter.
- Continued strength of office leasing in the submarket should eventually translate into stronger occupancy gains, despite the lackluster start to the year.

Absorption, Deliveries and Vacancy



Market Indicators

Relative to prior period

Buckhead
Q2 2019Buckhead
Q3 2019*

Market Indicator	Buckhead Q2 2019	Buckhead Q3 2019*
VACANCY	-	↓
NET ABSORPTION	+	+
CONSTRUCTION	↑	-
RENTAL RATE	↑	↑

*Projected

Summary Statistics

Buckhead Office Market

All
Classes

Class A

Class B

Summary Statistic	All Classes	Class A	Class B
Total Inventory (Millions Square Feet)	22.0	16.8	4.4
Vacancy Rate	13.6%	15.7%	7.2%
Change From Q1 2019	0.1%	-0.1%	1.0%
Absorption YTD (Thousands Square Feet)	14	18	-6
Construction Deliveries YTD (Thousands Square Feet)	49	-	49
Under Construction (Thousands Square Feet)	340	340	-

Asking Rents

Per Square Foot Per Year

Asking Rent Metric	All Classes	Class A	Class B
Average Quoted	\$35.79	\$37.23	\$27.14
Change From Q1 2019	1.0%	0.8%	2.1%

UPDATE - Recent Transactions in the Market

Notable Leasing Activity

TENANT	PROPERTY	LANDLORD	SIZE (SF)	TYPE
Ameris Bancorp	Two Securities Centre	Angelo, Gordon & Co.	58,625	Class A Lease
AmWINS Group	3630 Peachtree	Heitman LLC	56,401	Class A Renewal & Expansion
Harrison Design	Piedmont Center 1-4	The Ardent Companies	24,630	Class A Lease
Evident ID	Resurgens Tower	Zeller Realty Group	24,183	Class A Lease


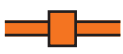

Notable Sales Activity

PROPERTY	SALES DATE	SALE PRICE	SIZE (SF)	PRICE / SF	BUYER
Salesforce Tower	7/31/2019	\$205,000,000	631,274	\$325	Kohlberg Kravis Roberts & Co., LP
Prominence	12/21/2018	\$166,000,000	433,000	\$383	New York Life Insurance
3535 Piedmont Rd.	2/6/2019	\$58,000,000	300,454	\$193	The Ardent Companies
1819 Peachtree Rd.	1/23/2019	\$23,350,000	129,386	\$180	Holder Properties

Source: CoStar Property



Aerial Legend

-  Buildings by Number (see opposite page)
-  MARTA Rail Line
-  New Construction

Points of Interest

- 1** Lenox Mall
- 2** Phipps Plaza
- 3** Lenox Market Place
- 4** Tower Walk
- 5** Buckhead Station
- 6** Atlanta History Center
- 7** UGA Terry College of Business Campus
- 8** The Whitley
- 9** Intercontinental Hotel
- 10** Grand Hyatt
- 11** JW Marriott
- 12** Buckhead Atlanta

Proposed Projects



1
3354 PEACHTREE
 Mixed-Use Project
 560,000 SF Office
 9,500 SF Retail
 300 Apartment Units
 60 Condos
 Construction Pending
 Developer: Regent Partners



2
THE OFFICE AT BUCKHEAD ATLANTA
 315,000 SF Class A Office
 Construction Pending
 Developer: Oliver McMillan



3
1 PHIPPS PLAZA
 373,844 SF Class A Office
 Under Construction
 Developer: Simon Property Gr.

In The News

- › **Simon Property Group Has Completed Belk Department Store Demolition:** Taking over Belk's Phipps Plaza location will be a multi-use project comprised of a Nobu Hotel, Life Time fitness facility, and a 350,000 SF office building named "One Phipps Plaza". The hotel will consist of 150 hotel rooms, rooftop pool, and the upscale Japanese restaurant, Nobu. The Fitness center will be 90,000 SF spread across three floors and feature a spa, kids academy, and rooftop pool. The development has begun construction and is expected to open phase one in early 2021.
- › **Jamestown Completes Purchase of The Shops at Buckhead:** The Ponce City Market developer has made its move into Buckhead. Jamestown plans to help the development compete with the likes of Lenox Square by holding town hall meetings with Buckhead residents to see what direction they feel The Shops should go. The six block development houses 356,000 SF full of luxury brands, restaurants, and offices, and is estimated to have sold for around \$200 million.
- › **Ameris Bancorp to Have their Own Financial Center by 2021:** Having recently acquired Fidelity Southern for \$870 Million, Ameris needs more space. Ameris Center will be the regional bank's Atlanta hub, located in 111,000 SF of a two-building Buckhead complex, formerly Buckhead's Securities Centre. The build out of the complex along a dense stretch of Piedmont Road could be completed by 2021.

AT A GLANCE | Buckhead GA 400 Park



- › Signature 9-acre park in the heart of Buckhead.
- › Over a half-mile long greenspace to span across GA 400, connecting Lenox Road to Peachtree Road.
- › \$250 million plan estimated to draw 2.6 million visitors per year.
- › Buckhead CID Board approved work necessary for the planning and design phase of the park.
- › Ground-breaking is hoped to begin in 2020, with completion in 2022.

FOR MORE INFORMATION

Scott Amoson

VP, Director of Research | Atlanta

+1 404 877 9286

scott.amoson@colliers.com

COLLIERS INTERNATIONAL ATLANTA OFFICE SPECIALISTS

Allison Bittel	Paul Reese
Frank Cannon	Morgan Reynolds
Scott DeMyer	Emily Richardson
Jessica Doyle	Jodi Selvey
Lee Evans	Fred Sheats
Deming Fish	Pete Shelton
Josh Gregory	Hayes Swann
Russ Jobson	Will Tyler
Jeff Kelley	Andrew Waguespack
Dany Koe	Andrew Walker
Eric Kulbacki	Bob Ward
Drew Levine	Tiffany Wein
Michael Lipton	Stewart Yates

Colliers International | Atlanta Office | Buckhead Listings



TOWER PLACE 100

20,657 SF Sublease
Drew Levine



1776 PEACHTREE

840-56,000 SF Lease
Scott DeMyer/
Emily Richardson